

City of Charleston

Department of Housing and Community Development (DHCD)

Seven Farms Village (Senior Rental Housing on Daniel Island)



20 Nassau Street (Substantial Rehabilitation)

Before

After



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Introduction

The mission of the Department of Housing and Community Development (DHCD) is to create, facilitate, and implement activities and programs which stimulate community and economic development, expand the supply of affordable housing and stimulate the construction and rehabilitation of housing for persons of very low, low and moderate incomes in Charleston's neighborhoods.

The City of Charleston has received funds through the U.S. Department of Housing and Urban Development (HUD) for 37 years as an Entitlement City in the Community Development Block Grant (CDBG) Program. The City also receives allocations of the HOME Investment Partnerships Program and the Housing Opportunities for Persons with AIDS (HOPWA) Programs. In 2009, the City of Charleston obtained an award through the American Recovery and Reinvestment Act of \$3m to support the Lead-based Paint Hazard Control (LBHC) Program and in 2011 received a Continuum of Care grant of \$283,500 to provide rental assistance for six homeless disabled persons and their families for a period of five years. These funds are combined with several local funding sources and private funds to support housing and community development initiatives. The funds awarded to the Department benefit schools, community centers, homeowners, local business, non profit organizations along with a host of other persons and organizations in the community.

The City continues to commit funds in support of the Renewal Community, which was designated as a Neighborhood Revitalization Strategy Area (NRSA) pursuant to the Consolidated Plan submittal to HUD in 2010. A large percentage of the CDBG and HOME entitlement funds received have been utilized for projects either located in the Renewal Community or those that are expected to benefit primarily Renewal Community residents.

Affordable housing remains one of the most pressing issues facing our community, as documented in the City's 2010-2015 Consolidated Plan. The City's DHCD awards subrecipients funding which assists in achieving the goal of providing affordable housing. Subrecipients funded by the City of Charleston also leverage funding from other local jurisdictions, foundations and banks to make their housing developments a reality. Additional strategies are being employed to ensure an expansion of partnerships with organizations that serve City of Charleston residents on the Peninsula, West Ashley, James and Johns Islands.

The City continues to implement its Homeownership Initiative (HI), which is funded through Special Economic Development Initiative (EDI) funds, Parcel A funds and several other funding sources. In the coming year, additional HI homes will be funded with CDBG funds, and the City will act to acquire additional properties, including vacant lots and those with existing structures, for development under the HI.

The City has and will continue to assist in the creation of ownership and rental residences, as well as providing downpayment assistance to purchase homes in private developments and assisting persons transitioning from homelessness to permanent housing. Households impacted by HIV/AIDS are also provided rental, mortgage, and/or utility assistance. The City has and will also continue to assist homeowners with either substantial rehabilitation or roof replacements. These efforts compliment the work performed under the City's Lead-based Paint Hazard Control grant, which focuses on eliminating lead-based paint hazards in homes throughout the City. Program brochures are available on most programs described herein.

Housing and Community Development Programs

Homeownership Initiative Program

The City of Charleston's Homeownership Initiative (HI) was adopted by the City of Charleston City Council in 2002. It was designed to create affordable housing opportunities for low- and moderate-income families and stimulate revitalization in five targeted neighborhoods – Cannonborough, Elliottborough, the West Side, H, F, and I Street, and the Eastside. In 2006 the City of Charleston extended the boundaries of the HI to include Rosemont. The program also aims to preserve the affordability and character of the neighborhoods on the Peninsula.

The Homeownership Initiative is a first-time home purchase program that assists individuals and families earning up to 120 percent of the Area Median Income (AMI) achieve the dream of homeownership (AMI is \$60,200 based on a household of four). The Initiative is a partnership between the City and six nonprofit organizations, four of which are housing developers and three that provide prospective homebuyers with credit and budget counseling, homebuyer education, downpayment assistance, and post-purchase counseling. In 2010 Homeownership Initiative Commission (HIC) approved the participation of private developers.

The Homeownership Initiative is funded by local and federal dollars and is directed by the HIC, a nine-member municipal body appointed by the Mayor with the approval of the City Council. The HIC advises the Mayor, City Council and the Department of Housing and Community Development as to appropriate policies and procedures for implementing the City of Charleston's Homeownership Initiative (HI) Program. The HIC meets on the first Thursday of each month.

The City takes the lead in acquiring vacant land or dilapidated properties. These properties are then transferred to the nonprofit developers for construction of new homes or rehabilitation of existing structures and eventual sale to eligible participants. Since 2004, the Homeownership Initiative has produced 101 homes on Charleston's Peninsula (the most recent ones are featured below).

Rosemont Neighborhood Development (New Construction)

1903 Doscher Ave.



2323 Birdie Garret St.



2311 Odessa St.



2310 Peonie St.



The City's nonprofit housing developers are:

- Charleston Area Community Development Corporation (CACDC)
- Episcopal Diocese Community Housing Development Organization of SC (EDCHDO)
- Humanities Foundation
- Pastors Associated Successfully Together to Obey, Restore, and Serve Inc. (P.A.S.T.O.R.S.)

The City's Homebuyer Education providers are:

- Charleston Area Community Development Corporation (CACDC)
- Charleston Trident Urban League
- Homeownership Resource Center, a division of Family Services, Inc.

City of Charleston Employer Assisted Housing Program

The City of Charleston Employer Assisted Housing Program (EAH) is an employer-provided benefit that assists City employees with the first-time purchase of a home. The City's EAH program was designed to bolster efforts to revitalize targeted neighborhoods and provide more affordable homeownership opportunities throughout the City, while making the dream of homeownership a reality for employees of the City and local businesses. The EAH program is a partnership between the City of Charleston, local lenders and employees.

Financial Benefit:

- One-time only \$10,000, zero percent (0%) interest loan to be used for downpayment on a qualifying home purchase. The loan is repaid over a 10-year period through payroll deduction;
- A grant of up to \$2,000 will be provided to assist with closing costs;
- Employees may utilize the loan, the grant or both.

Property Eligibility and Restrictions:

- Property must be owned, developed or sponsored by the City of Charleston;
- Property must be the primary residence of the applicant;
- A Note and Mortgage, signed by the applicant at closing, will be used to secure the City's \$10,000 interest in the property;
- The City of Charleston Single Family Affordable Housing Restrictive Covenants will be applicable to the property;
- Properties are sold on a "first come, first serve" basis to eligible applicants.

Employee Eligibility:

- Must be a City of Charleston full-time employee for not less than two (2) years;
- Must have received satisfactory job performance rating during term of employment;
- Must meet income eligibility requirements as published annually by U.S. Department of Housing & Urban Development (HUD);
- Must have a good credit rating and demonstrated ability to repay all financial obligations;
- Must be able to qualify for a conventional, FHA, or VA mortgage with acceptable underwriting criteria;
- Provide an executed contract for an eligible property;
- Submit an EAH application to the Department of Housing & Community Development;
- Complete a homeownership and/or credit counseling workshop;
- Must agree to all terms and conditions of the City of Charleston EAH program;
- Only 1 EAH benefit per household;
- Where two equally qualified applicants have an interest in the same property, selection will be made by lottery.

Subrecipient Funding

The City's Department of Housing and Community Development annually awards CDBG, HOME and HOPWA funding to organizations that provide services to citizens in the City of Charleston. HOPWA funding is used to provide services to residents in the Metropolitan Statistical Area or MSA. The organizations offer a range of services to aid in the mission of the Department. Services include but are not limited to providing rent, utility and mortgage assistance, after-school youth programs, downpayment assistance, Fair Housing workshops, homeowner rehabilitation, and housing construction.

Below is the list of organizations that have been awarded funding to support their programs:

- Canterbury House (Rental assistance)
- Charleston Area Community Development Corporation (Homeowner repair and homeownership)
- Charleston County Human Services Commission (Affordable housing construction)
- Charleston Development Academy (After-school activities)
- Charleston Dorchester Mental Health Center (Rental Assistance)
- Charleston Promise Neighborhood (Educational Enrichment)
- Charleston Trident Urban League (Fair housing and homeownership)
- Closing the Gap in Healthcare (Health Literacy Media)
- Crisis Ministries (Services for homeless persons)
- Episcopal Diocese CHDO (Homeownership)
- HomeWorks Inc. (Homeowner repair)
- Humanities Foundation (Affordable housing development)
- JDW Network (Housing construction)
- Lowcountry AIDS Services (Housing services for persons with HIV/AIDS)
- Lowcountry Housing Trust (Downpayment assistance)
- Maritime Foundation (Youth after-school programs)
- Operation Home (Homeowner Rehabilitation)
- P.A.S.T.O.R.S. Inc. (Affordable housing development)
- Roper Saint Francis Foundation (Housing services for persons with HIV/AIDS)
- Sea Island Habitat for Humanity (Homeownership)
- Trident Area Agency on Aging (Senior housing assistance)

Enston Home Funds

The Trustees of the Enston Home have generously agreed to use the interest generated on the sale of the Enston Homes to establish the Enston Home Fund. These funds were awarded to the Coalition on Housing & Homelessness (Formerly Mayor's Council on Homelessness and Affordable Housing) to be used to benefit elderly individuals and their families. For the purposes of this program, the Enston Home Trustees stipulates that elderly is defined as 45 years of age or older. Enston Home funds may be used for rental subsidies, moving expenses, construction and rehabilitation costs, predevelopment costs, transitional housing and utility assistance associated with the creation of affordable housing. Assistance can be provided in the tri-county area including Berkeley, Charleston and Dorchester counties.

Enston Home Funds are administered by the City of Charleston's Department of Housing and Community Development. Funds are maintained in an interest-bearing account with the City of Charleston. Interest generated is used to provide additional award monies.

Through the award of Enston Home funds, non profit organizations throughout the community are providing direct services and assistance to citizens during financially challenging times and assisting in mitigating homelessness and help addressing other urgent needs.

Continuum of Care Shelter Plus Care Grant

The City of Charleston's Department of Housing and Community Development in partnership with the Continuum of Care, Family Services Inc. and Charleston/Dorchester Mental Health Center pursued and were awarded \$283,500 (5-year grant) in Continuum of Care grant funds. A small portion of the grant (8%) will be utilized for administrative purposes and will be awarded to Family Services Inc., as they will have direct responsibility for client management and services. The remaining grant funds will be used to provide permanent housing assistance to six disabled homeless persons and their families.



Pictured above: A rendering of the Crisis Ministries Shelter for men

Housing Rehabilitation Program

The Housing Rehabilitation Program encompasses five programs to assist homeowners with the repair and maintenance of their homes. CDBG, HOME, EDI and Neighbor Works funds are utilized to perform the needed repairs to homes.

I. Substantial Rehabilitation Program

Homeowners selected for substantial rehabilitation must own and have clear title to their property. The home is completely renovated with all code violations eliminated. The owner provides a minimum of 20% of the cost of renovations. Other program details:

- Owners are provided temporary relocation during construction
- Architect provides plans and specifications
- Property must be located in a Community Development or Neighborhood Revitalization Strategy Area (NRSA)
- Homes are renovated or reconstructed with energy efficient techniques with Energy Star as the minimum standard.

II. Rental Rehabilitation Program

Rehabilitation assistance is provided to rental property owners who commit to lease their property to low-to-moderate income tenants (persons earning sixty-percent and below AMI) for a 20-year term. Other program details:

- Subsidy is provided to property owners in the amount of \$10,000.00 per unit
- Owner is provided review of plans for approval
- Plans and specifications are stamped by architect
- Copy of cost estimate to complete work is provided
- Copy of commitment letter from lender to provide funding for project is provided

*Note: Due to the down turn in the economy and unwillingness of bankers to approve commercial loans for rental property owners, the Rental Rehabilitation Program is now in hiatus.

III. Roof Replacement

Roof replacements are provided for homeowners who are at 60% and below the Area Median Income that own and have clear title to their residences. Homeowners are provided deferred loans to pay for the cost of the roof replacement which is forgiven after 10 years. Roof replacements are provided throughout the Peninsula, James Island, West Ashley and CD target areas.

1438 Fairfield (Roof Replacement)

Before



After



IV. Senior Safe Home Repair Program

Senior Safe Home Repair Program is a revolving loan program (began in November 2010) made possible by funds provided by Family Services, Inc. through a grant from Neighbor Works of America. Seniors are allowed up to \$20,000 for repairs to their home in the form a deferred loan repayable upon death of the owner, or sale or transfer of the property. Repairs are provided to seniors aged 62 years and older at 80 % and below the Area Median Income (AMI). Funds can be used for the following repairs:

- Roof Repairs
- Handicap Accessibility
- Heating & Cooling Systems
- Plumbing repairs
- Electrical Repairs

Note: There are currently no funds available in the Senior Safe Home Program

V. Economic Development Initiative (EDI)

A re-allocation of EDI grant funds (approved in July 2011) were provided to repair owner occupied homes in the West Ashley Neighborhoods of Ardmore/Sherwood Forrest, East and West Oak Forrest, and Ashleyville/Maryville. The majority of the funds are used for roof replacements and the remaining funds for plumbing repairs.

VI. Federal Home Loan Bank

The Federal Home Loan Bank is another resource that DHCD will use in 2012 to assist owner occupied homeowners with improvements to their homes. The FHLB will provide zero percent deferred loans up to \$15,000 to homeowners that is forgiven after 5 years, provided the property is not sold or the title is not transferred within the 5-year term. The owner must be at 80% or below the Area Median Income and have clear title to the property. Funds can be used for:

1. Energy Efficiency and Weatherization

- a. Includes repairs to HVAC systems, insulation, water heaters, roofs, windows and low flow plumbing fixtures or

2. Accessibility Rehabilitation

- a. Includes improvements to exterior ramps and sidewalks, bathrooms and kitchen renovations, door widening and floor replacement.

The city will use the FHLB funds in conjunction with CDBG, HOME and LHCP funds in order to make a greater impact on the homes and the neighborhoods assisted.

Lead-based Paint Hazard Control Program

The Lead-based Paint Hazard Control Program is funded through a \$3 million federal grant awarded to the City of Charleston in April 2009. The City has successfully managed two previous lead grants that were similar to the current one. The primary goal of the program is to eliminate childhood lead poisoning by addressing the problem at its source: in homes and apartments where pregnant women and children under six years of age are directly impacted.

Utilizing a comprehensive recruiting and outreach plan designed to enroll applicants who meet federal income guidelines, program-eligibility is determined by the following factors:

- The homes are occupied or frequently visited by a pregnant woman and/or a child under six years of age.
- The total household income does not exceed 80% of the Charleston Area Median Income (Income is not to exceed \$49,750 for a family of four)
- The home is built before 1978
- The home is an owner-occupied or rental property located within City limits

City residents who meet these requirements may be eligible for a range of services, including:

- Testing to determine the presence of lead-based paint hazards
- Lead dust cleaning, if hazards are found
- Interior and/or exterior painting
- Window, carpet and/or door replacement

The testing services are performed by EPA-certified consultants who take samples to determine the extent of lead-based paint hazards in the home. Samples are then analyzed by an EPA-certified laboratory. Contractors who are awarded construction projects are also EPA-certified and trained in how to work safely with lead-based painted materials, and in the proper handling and disposal of those materials.

Additional goals of the Lead-based Paint Hazard Control Program are to educate the community about the dangers of lead-based paint, and to build the local contractor capacity by providing certification training in the proper handling, containment and removal of lead-based-painted surfaces during construction activities.

As of November 28, 2011, 546 residential units have been made lead-safe as a result of the three Lead Hazard Control Grant Programs including 148 homes completed to date with current grant funds.

34 Cypress Street (LHCP/ Rehabilitation)



Funding Programs and Departmental Reports

Annual Action Plan- a report that compiles the specific goals that the City and its partners will seek to achieve during the program year, which begins June 1st and ends May 31st. The Annual Action Plan also provides a comprehensive overview of the funded activities, the anticipated production, and expected program leveraging. The strategies outlined in the Annual Action Plan are based on the goals and objectives outlined in the City's Consolidated Plan.

Community Development Block Grant (CDBG) program provides annual grants on a formula basis to local government, non profit consortia and States to provide decent housing, suitable living environments and economic opportunities.

Consolidated Plan- a comprehensive document that describes the City's housing market conditions, identifies needs for affordable housing and community development and provides strategies to address the needs over the next five years.

Consolidated Annual Performance and Evaluation Report (CAPER) -a comprehensive document that provides a summary of accomplishments and illustrates the goals achieved by the City of Charleston and its many partners.

Continuum of Care Shelter Plus Care Grant provides rental assistance to homeless individuals with disabilities and their families in connection with supportive services. The program provides a variety of permanent housing choices, accompanied by a range of supportive services funded through other sources.

Economic Development Initiative (EDI) Funds- a HUD funded program that allocates funds for the rehabilitation of homes in designated communities.

Enston Homes Fund was established by the Enston Home Endowment using funds generated from the sale of the William Enston Home tract to the Housing Authority of the City of Charleston. Each year, the interest generated by the Fund's investments is used to fund housing or related activities that benefit elderly individuals and their families.

Home Investment Partnerships Program (HOME) provides formula grants to States and localities usually in partnership with nonprofit organizations to either:

- Build, buy, and/or rehabilitate houses for homeownership or rental developments,
- Award downpayment assistance, or
- Provide direct rental assistance

Housing Opportunities for Persons with Aids (HOPWA) funding provides housing assistance and related supportive services to persons with HIV/AIDS. Funds may be used for a wide range of housing, social and health care services, program planning, and development costs.

Lead-based Paint Hazard Control (LPHC) provides grant funds to homeowners and rental property owners to reduce lead paint hazards where pregnant women and children six years of age and under are directly impacted by lead paint hazards.

Parcel A funds are the proceeds of the sales of several large tracts of waterfront property that the City of Charleston acquired and sold to developers. These funds have been used to support the development of affordable housing in the City.

City of Charleston
Department of Housing and Community Development

Income Limits FY-2011

	Extremely low income	Very low income	Low Income	Moderate Income	Median family income	City of Chas. Homeownership Initiative income limit
% OF MEDIAN →	<u>30%</u>	<u>50%</u>	<u>60%</u>	<u>80%</u>	<u>100%</u>	<u>120%</u>
HOUSEHOLD SIZE	-	-	-	-	-	-
1	\$13,100	\$21,800	\$26,160	\$34,850	\$43,600	\$52,320
2	\$14,950	\$24,900	\$29,880	\$39,800	\$49,800	\$59,760
3	\$16,800	\$28,000	\$33,600	\$44,800	\$56,000	\$67,200
4	\$18,650	\$31,100	\$37,320	\$49,750	\$62,200	\$74,640
5	\$20,150	\$33,600	\$40,320	\$53,750	\$67,200	\$80,640
6	\$21,650	\$36,100	\$43,320	\$57,750	\$72,200	\$86,640
7	\$23,150	\$38,600	\$46,320	\$61,700	\$77,200	\$92,640
8	\$24,650	\$41,100	\$49,320	\$65,700	\$82,200	\$98,640

To establish consistent income limits, the City of Charleston is using the HOME Program's published limits for the 30, 50, 60, and 80 percent limits. The 120 percent limits are calculated using the 2011 median family income for a family of four (\$62,200) for the Charleston-North Charleston Metropolitan Statistical Area (MSA).

DEPARTMENT of HOUSING and COMMUNITY DEVELOPMENT
ORGANIZATIONAL CHART

